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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92056848
Party	Defendant Brauerei Beck GmbH & Co. KG
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Attachments	Registrant's Reply ISO Motion to Dismiss Petition for Cancellation.pdf(220866 bytes)

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Bacardi & Company Ltd.	§	
	§	
Petitioner,	§	Cancellation No. 92056848
	§	
v.	§	Mark: BECK'S SAPPHIRE
	§	
Brauerei Beck GmbH & Co. KG	§	Registration No. 4,293,143
	§	
Registrant,	§	

Commissioner for Trademarks
P. O. Box 1451
Alexandria, VA 22313-1451

**REGISTRANT'S REPLY IN SUPPORT OF MOTION TO DISMISS PETITION FOR
CANCELLATION**

I. INTRODUCTION

In its Response to Registrant Brauerei Beck GmbH & Co. KG's ("Registrant") Motion to Dismiss, Bacardi & Company Ltd. ("Bacardi") makes a number of misplaced arguments and ignores much of the legal authority cited in Registrant's Motion.

The Supreme Court has made it clear that allegations that are no more than legal conclusions "are not entitled to the assumption of truth." *Ashcroft v. Iqbal*, 556 U.S.662, 679 (2009). In other words, a pleading that merely offers "labels and conclusions," a "formulaic recitation of the elements," or "naked assertions" will not be sufficient to state a claim upon which relief can be granted. *Id.* at 678.

Under that lens, Bacardi's Opposition demonstrates that Registrant's Motion should be granted as to Bacardi's allegations of trademark dilution and the "descriptiveness" of Registrant's BECK'S SAPPHIRE mark. Bacardi argues that it has sufficiently alleged a claim for dilution, but it has not plead non-conclusory allegations that BOMBAY SAPPHIRE **and**

SAPPHIRE (alone) are famous. Bacardi cannot meet the pleading requirements by simply repeating statutory language from 15 U.S.C. § 1125(c). Further, Bacardi does not rebut any of the cases cited by Registrant in support of its Motion.

Bacardi fails to offer any relevant authority for its argument that it properly stated a claim that the BECK'S SAPPHIRE mark is descriptive, and it makes no attempt to refute the cases cited by Registrant on this issue. As is clear, Bacardi cannot state a claim that the composite BECK'S SAPPHIRE mark is "merely descriptive" by arguing that BECK is a surname (when the first portion of the mark is actually BECK'S (an incontestable mark)) and that SAPPHIRE is descriptive of beers. Both Bacardi's pleading and its conclusion fail as a matter of law.

As explained in Registrant's Motion and below, the Board should dismiss Bacardi's dilution and "mere descriptiveness" claims.

II. ARGUMENT

A. Bacardi Misstates the Legal Standard Applicable to Registrant's Motion to Dismiss

In its Opposition, Bacardi gives short shrift to the standards set forth in *Bell Atl. Corp. v. Twombly*, 550 U.S. 544 (2007), *Ashcroft v. Iqbal*, 556 U.S. 662 (2009), and the T.T.A.B. decisions citing to and interpreting those Supreme Court cases. The law is clear: a complaint or petition may not simply recite the elements of a claim; a petition must contain "factual content" that allows the Board to "draw the reasonable inference" of liability. *Id.* at 678. Rather than addressing the clear mandate in these cases, Bacardi largely ignores their holdings. Bacardi only seeks to distinguish one case cited by Registrant (*Robert Doyle v. Al Johnson's Swedish Restaurant & Butik, Inc.*, 101 U.S.P.Q.2d 1780 (T.T.A.B. 2012) [precedential]), not on substantive grounds, but rather because the "well-regarded TTABLOG" referred to it as a bizarre

case. Opposition at 3. And while the allegations in that proceeding may have been bizarre, the legal standards espoused in the Board's decision were not. The decision is citable as precedent, and Bacardi does not contend otherwise.

Bacardi incorrectly argues that "Registrant is seemingly seeking 'evidence' in support of Bacardi's claims." Opposition at 2. Registrant's Motion to Dismiss does not seek to determine "proof" of any allegations, but instead demonstrates that Bacardi's pleading lacks "sufficient factual matter" and contains no more than mere "conclusory allegations." *See* Motion at 4-5; *Doyle*, 101 U.S.P.Q. 2d. at 1782 (T.T.A.B. 2012) (precedential) ("Threadbare recitals of the elements of a cause of action, supported by mere conclusory statements, do not suffice.") (quoting *Iqbal*); *Otto Int'l, Inc. v. Otto Kern GMBH*, Cancellation No. 92046167 at *5-8 (T.T.A.B. 2007) (precedential) ("petitioner has provided no facts to support its conclusory allegation of abandonment"); *Vega v. JPMorgan Chase Bank*, 654 F.Supp.2d 1104, 1110 (E.D. Cal. 2009) ("a plaintiff's obligation to provide the grounds of his entitlement requires more than labels and conclusions"). As explained below, when analyzed under the proper standard, Bacardi's claims of dilution and mere descriptiveness fail as a matter of law.

**B. Bacardi's Opposition Demonstrates that its Dilution Claim is
Insufficiently Pled**

Bacardi offers little analysis to rebut Registrant's arguments that Bacardi has insufficiently pled a claim for dilution of its alleged BOMBAY SAPPHIRE and SAPPHIRE marks. Bacardi cites to no legal authority supporting the sufficiency of its allegations and misrepresents the effect of TBMP §309.03(c), which lists the **grounds** upon which cancellation can be sought, rather than a full recitation of proper pleading requirements. Bacardi incorrectly claims that the TBMP "only contemplates that a successful pleading include a claim of fame and

an allegation that the plaintiff's mark was famous prior to any date relied upon by Defendant.”

However, the actual reference to which Bacardi cites reads as follows:

For example, although the Trademark Act provides that dilution under Trademark Act § 43(c), 15 U.S.C. § 1125 may be asserted as a claim in a Board proceeding, mere reference to that section of the Trademark Act is insufficient to plead a dilution claim, as proper pleading of the claim also requires an allegation that the plaintiff's mark was famous prior to the earliest date on which the defendant can rely for purposes of priority.

While this TBMP section states an example of insufficient pleading, it cannot properly be read as providing the full breadth of what is required to sufficiently plead dilution.

Bacardi does not (and cannot) dispute that the threshold for fame under the TDRA (15 U.S.C. § 1125(c)(2)(A)) is exceptionally high. *See, e.g.*, cases cited in Motion at 5-6. Bacardi cites to seven paragraphs in its Petition that it claims “provide sufficient pleading bases and bolster Bacardi’s claim of fame.” Opposition at 4. However, those paragraphs do not support Bacardi’s argument. In summary, those paragraphs allege: use over a period of time in connection with gin and promotional items and “other [unspecified] goods and services” (Petition at ¶¶5 and 8); ownership of trademark registrations (*id.* at ¶7); and statements that its “marks” have become “recognized by the public as indicative of Bacardi’s goods and services and the high quality thereof” (*id.* at ¶11), are “famous” (*id.* at ¶16), and that the fame predates Registrant’s application for BECK’S SAPPHIRE (*id.* at ¶17). Bacardi concludes that Registrant’s mark is likely to “dilute the distinctive qualities of Bacardi’s Marks” (*id.* at ¶18).

Paragraphs 5, 7, 8, and 11 do not provide any factual underpinnings for the allegation that BOMBAY SAPPHIRE, as well as SAPPHIRE (alone), are “widely recognized by the general consuming public of the United States” as a designation of the source of goods or services of a mark’s owner. *See* Trademark Dilution Revision Act of 2006, Publ. L. No. 109-312, 120 Stat. 1730 (2006).

Paragraphs 16, 17, and 18 are all “[t]hreadbare recitals of the elements of a cause of action, supported by mere conclusory statements.” *Doyle*, 101 U.S.P.Q. 2d. at 1782 (T.T.A.B. 2012) (precedential). In other words, they are “labels” and “conclusions,” *i.e.* “the marks are famous,” “they are recognized by the public,”¹ and “they will be diluted.” These conclusions are unsupported by the remaining allegations in the Petition, and fail to state a claim for dilution of the BOMBAY SAPPHIRE and SAPPHIRE marks as a matter of law. These are precisely the types of allegations rejected by *Iqbal* and *Twombly* and the decisions interpreting those cases.

Bacardi also fails to rebut Registrant’s argument that the Petition makes no factual distinction between the SAPPHIRE mark (alone) and the BOMBAY SAPPHIRE mark, or that the Petition does not include plausible facts supporting the fame of **each** of the marks. *See* Motion at 6-7 (discussing 15 U.S.C. § 1125(c)(2)(A)(i-iii)).

Finally, Bacardi does not address the cases cited by Registrant in which courts have dismissed dilution claims based on an insufficiency in the factual allegations. *See* cases cited in Motion at 7-8. This is further confirmation that dismissal is appropriate.

**C. Bacardi’s Opposition Demonstrates that its “Descriptiveness” Claim Fails
as a Matter of Law**

In its Motion, Registrant demonstrated that Bacardi’s allegations regarding the claimed descriptiveness of Registrant’s mark were improper. In its Opposition, Bacardi attempts to support its allegations with two arguments – first, that “the status of a portion of Registrant’s BECK’S SAPPHIRE mark is a question of fact” (Opposition at 4); and second, that a registration may be cancelled on the grounds that a portion of the mark is descriptive. *Id.* Bacardi’s arguments are incorrect and miss the point.

¹ The allegation that both marks are “recognized by the public” also falls short of the TDRA’s requirement that a famous mark be “widely recognized by the general consuming public.” 15 U.S.C. § 1125 (c)(2)(A).

As Registrant detailed in its Motion, Bacardi's argument that BECK is merely a surname is an improper collateral attack on the incontestable BECK'S mark. *See* cases cited in Motion at 10; T.M.E.P. §1216.02. Bacardi does nothing to rebut these arguments or to attempt to distinguish the cases cited by Registrant. And Bacardi cannot and does not dispute that BECK'S is subject to an incontestable registration.

Furthermore, Bacardi's "descriptiveness" claim improperly dissects Registrant's mark – alleging that it is made up of descriptive elements **without alleging that the mark as a whole is descriptive**. Bacardi advocates for an improper – and impermissible – analysis of the descriptiveness of the BECK'S SAPPHIRE mark. *See* Motion at 10 (citing cases); *Packard Press, Inc. v. Hewlett-Packard Co.*, 227 F. 3d 1352, 1357 (Fed. Cir. 2000) (The Board improperly dissected HEWLITT-PACKARD when finding a likelihood of confusion with PACKARD TECHNOLOGIES); T.M.E.P. § 1209.03(d).

Bacardi cannot and does not allege that BECK'S SAPPHIRE, as a whole, is "merely descriptive" of beers. And again, Bacardi does not attempt to distinguish the cases cited by Registrant on the issues of incontestability or dissection. Accordingly, Bacardi's "descriptiveness" attack fails as a matter of law.

D. Registrant has Not Defaulted

Finally, Bacardi argues that because Registrant did not file a separate answer relating to Bacardi's likelihood of confusion allegations, "Registrant thereby be found in default for failure to timely answer Bacardi's Petition to Cancel." Opposition at 6. Bacardi cites to no authority for this proposition, and the Board should reject this request as contrary to the law.

Bacardi plainly ignores TBMP §503.01, which states, "The filing of a motion to dismiss for failure to state a claim upon which relief can be granted tolls the time for filing an answer."

Registrant is aware of no Board authority, and Bacardi cites to none, stating that the failure to move to dismiss *every* allegation in a Petition for Cancellation requires an answer as to the *remaining* allegations. That outcome would be administratively prohibitive and judicially impractical, leading to duplicative filings (*e.g.* multiple answers), portions of a case moving along at different timetables, and staggered discovery as to certain claims but not others. Registrant is entitled to respond to a single Petition after the Board has determined its legal sufficiency. *See Finnegan, III v. Univ. of Rochester Medical Ctr.*, 180 F.R.D. 247, 249-50 (W.D.N.Y.1998) (denying a motion for default judgment as to one cause of action where the defendant had moved to dismiss another cause of action because “the weight of the case authority (which is not extensive) holds that the filing of a motion that only addresses part of a complaint suspends the time to respond to the entire complaint, not just to the claims that are the subject of the motion.”); *Talbot v. Sentinel Ins. Co., Ltd.*, 2012 WL 1068763 (D. Nev. 2012) (collecting cases on the issue and holding that “a pending motion to dismiss, although it may only address some of the claims alleged, tolls the time to respond to all claims”). In any event, default judgment is unwarranted, and the Board should reject this argument to allow Registrant time to file its answer *after* resolution of the instant Motion.²

III. CONCLUSION

For the above reasons, Registrant respectfully requests that the Petition for Cancellation be dismissed as to Bacardi’s claim for dilution and as to its claim that the BECK’S SAPPHIRE mark is merely descriptive or unregistrable as a whole.

² To the extent there is any open issue as to the need for Registrant to formally answer certain allegations in the Petition, Registrant submits that the Board should extend and suspend Registrant’s deadline to answer any remaining allegations in the Petition for no less than fourteen (14) days following the Board’s ruling on the instant Motion. *See* Fed. R. Civ. Pro Rule 12(a)(4)(A). As set forth above, good cause exists given the filing and pendency of this Motion; the operation of Rule 12(a)(4)(A) to toll the answer deadline (see above cited cases); and the fact that the Board has *already* suspended the proceedings in this case and discovery has not commenced. Under these circumstances, Bacardi does not even attempt to argue that it has been (or will be) prejudiced by any necessary extension.

Finally, Registrant does not believe that a telephone conference is necessary to address the present Motion and asserts that the substance of this Motion may be sufficiently considered based on the briefing submitted by the parties.

Respectfully submitted,

Pillsbury Winthrop Shaw Pittman LLP
Bobby A. Ghajar
Marcus D. Peterson

Date: June 10, 2013

By: 

Bobby A. Ghajar
Attorneys for Registrant
Brauerei Beck GmbH & Co. KG

CERTIFICATE OF ELECTRONIC TRANSMISSION

DATE OF DEPOSIT: June 10, 2013

I hereby certify that this correspondence is being transmitted to the United States Patent and Trademark Office Trademark Trial and Appeal Board using the Electronic System for Trademark Trials and Appeals (ESTTA) on the date indicated above.

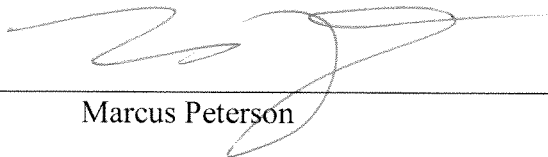


Marcus Peterson

CERTIFICATE OF SERVICE VIA MAIL

I, Marcus Peterson, Esq., of Pillsbury Winthrop Shaw Pittman LLP, attorneys for Registrant Brauerei Beck GmbH & Co. KG, hereby certify that a true and complete copy of the foregoing REGISTRANT'S REPLY IN SUPPORT OF MOTION TO DISMISS PETITION FOR CANCELLATION was served via postage prepaid by first class mail on June 10, 2013 on:

Janice Housey
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